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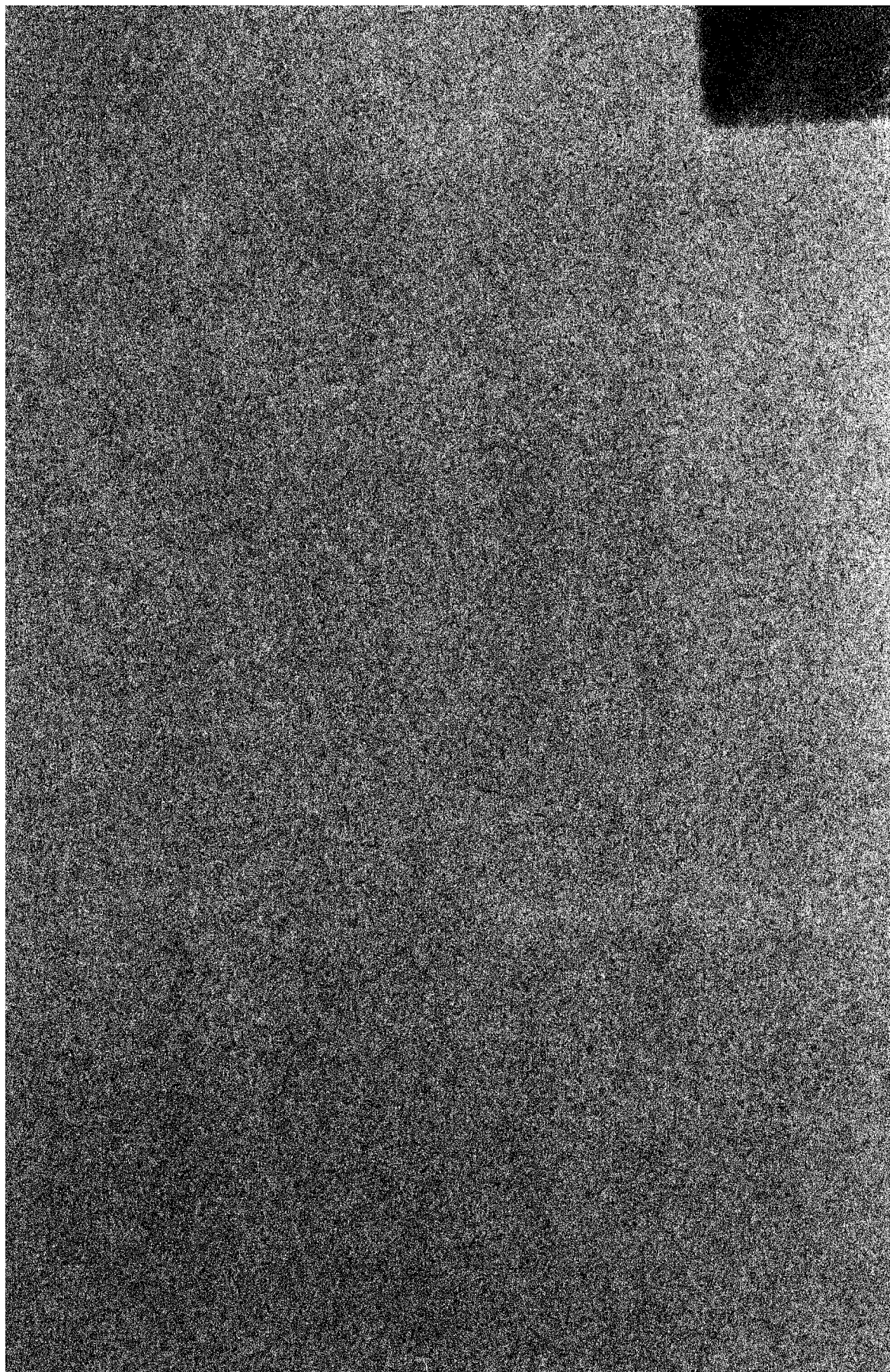


THE BUDGET DEBATE

Session 1937

Report prepared by
MR. GEORGE A. WILLIAMS, M.L.A.

ALBANY, NEW YORK: THE BUDGET DEBATE





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SPEECH DELIVERED BY

MR. GEORGE H. WILLIAMS, M.L.A.

(Wadena)

Leader of the Opposition

in the

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Wednesday, March 24, 1937.

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Mr. Speaker: In rising to speak on the motion now before the House that you do now leave the Chair, I am going to ask honourable members to try not to interrupt me, today, by asking too many questions in the course of my remarks. Usually I take as much pleasure from the heckling process as anyone else, but I happen to be suffering from a sore throat, today, and do not want to strain it unduly. Some of the things I want to say may not meet with the approval of honourable members opposite, yet I would ask them to try not to interrupt, in that, in addition to a very sore throat, I have a special desire, today, to say certain things just as I wish to say them without the thread of the argument being broken. I would, therefore, ask the members opposite to save what questions they have to ask until I am through.

It has been suggested from time to time that I give this House a statement of C.C.F. policy on various matters that have arisen in this House. Up-to-date, I have always refused to do so. My reason for declining has been that I felt any statement of C.C.F. policy would be lost on this House. I believe, however, I did intimate to my honourable friend, the Attorney General, the other day, that I would say something about the C.C.F. policy on debt adjustment during this debate. I intend to say a few words on that subject today.

Before doing so, may I comment on a matter that caused me some amusement the other day.

I noticed the Attorney General was hard put to it to find anything he could criticize in the C.C.F. Platform adopted last year. He started out quite glibly, then ended up very suddenly when he found that, had he continued to read, he would only succeed in hamstringing himself.

I propose, today, to quote from the C.C.F. Platform—and, by the way, if any of the honourable members on the Liberal side

of the House want a copy of our Platform, I will be pleased to send them a copy by one of the pages. It will not be necessary for them to adopt the surreptitious method of getting a doorman to obtain a copy and then getting it from him, although I recognize that this method is dear to the Liberal heart.

The Platform reads:

"The purpose of the C.C.F. is the establishment in Canada of a Co-operative Commonwealth in which the principle regulating production, distribution and exchange will be the supplying of human needs.

"To this end a C.C.F. Government in power in Saskatchewan would substitute social planning in the place of ruthless competition now practised under Capitalism."

My liberal friends across the way scoff at the idea of planning; yet three-quarters of our time in this Legislature is taken up with devising legislation to regulate this and regulate that. Nor has the Government refrained from entering the direct field of business regulation; for example, The Coal Mining Industry Act, and The Milk Control Act. The chief difference between the Government and the C.C.F. in this respect is that the Government is unwillingly pushed into something it does not believe in, by economic pressure, while the C.C.F., realizing that economic planning is necessary in this modern world, regards economic planning not only as a necessity but as a duty and privilege.

Our Platform goes on to say:

"Being keenly aware of the pitiful conditions existing in the homes of the majority of our citizens and realizing that a large number of the people of this province live in daily dread of legal action on the part of creditors, the C.C.F., believing as it does, that these conditions have been created by a worn out economic system, is determined and will take active and effective steps to protect the homes of the people and to bring in a new order of society."

Mr. Loftson: That is the latest platform, is it?

Mr. Williams: The latest.

Hon. Mr. Davis: I was reading from this. (*Holding up 1934 "Handbook"*)

Mr. Williams: Yes, out of date, as usual.

Hon. Mr. Davis: It's the Platform you were elected on.

Mr. Williams: The other day, the Attorney General attempted to leave the impression that the C.C.F. had renounced Socialism; yet here we find a clear-cut statement that the C.C.F. believes the deplorable conditions are caused by an outworn economic system and not only is determined to take active and effective steps to protect the homes of the people, but also to bring about a new social order.

The Platform goes on to say:

"The C.C.F. recognizes that a new economic system cannot be created overnight, but would require a period of transition during which a new social order would have to be built step by step. The guiding principle in every such step will be the raising of the cultural level and the betterment of the living conditions of the people."

That is a statement of the C.C.F. creed: the things we believe in; the things we intend to do.

Our opponents have sought to give the impression that the coming of Socialism would mean the destruction of everything as we now have it. Liberal speakers and workers have not been above this kind of misrepresentation. When the new economic system comes into being, it will not come overnight or with mushroom growth, nor will it destroy as it comes. It will retain every good thing in the present economic system, and only the bad will be cast aside.

Capitalism was built on the foundation of feudalism, and utilized and retained all the advancements and attainments of feudalism. So also with Socialism. Anything that is good in the present economic system will not be destroyed nor discarded, but will be preserved and kept and used as a foundation to build better than before.

Our friends across the way are the greatest of extremists. Their very conservatism makes them so. When anyone talks of change, they immediately conceive of a jump direct from Capitalism to Socialism. They seem incapable of conceiving of orderly, progressive, sane change. They attempt to keep everything rigid, stationary, unchanging, and by that very attitude are the most dangerous of people.

We have in this province, Mr. Speaker, Liberals who are more conservative than Conservatives, and Conservatives who are far more liberal than those who bear the name Liberal. Indeed, so much is this the case that when, just recently, the Liberals sought to link up with the Conservatives in this province, they were rejected by the Conservatives because the Grits were too reactionary for them to associate with.

When one speaks of refunding to the present Government, they immediately conceive of repudiation. If you go back over the addresses of the Premier, you will find that he has continually linked these two things—refund and repudiation. When one speaks of adjustment of debt by Governmental action, they immediately think of conscription of wealth. The Attorney General linked these two the other day in his remarks on debt adjustment.

And so the story goes. Our friends across the way seem to have no sense of proportion. Their whole attitude is "whole hog or none". Our friends seem to be in a fog as to whether the old land policy of the former Farmer-Labour Party is still the land policy of the C.C.F., and, with their extremist whole-hog-or-none psychology, they seem quite unable or unwilling to find any answer to that question. Let me give them the answer.

Yes, the land plank of the C.C.F. Platform has been altered, has been changed—and I will tell you how and why it was changed. The fundamental reason was because Liberal heelers and others working for the Liberal party lied about it and succeeded by means of those lies in frightening the farmers. They went out and told the farmers that they were going to be forced to give over their land, give over their titles and all the rest of it. If you examine the old Farmer-Labour Platform, you will find that it says the objective of the Farmer-Labour Party is, "To give security of tenure to be obtained by the institution of perpetual use-hold titles on homes and lands instead of patents or Torrens Titles," and then goes on into a number of details as to how it was to be done.

The use of the word "perpetual" should have assured the farmers that the new type of title would be no less enduring than a Torrens Title.

Mr. Loftson: Do you contend that still remains in the policy of the C.C.F.?

Mr. Williams: If you will control your impatience, I will answer that in the course of my remarks. As I said at the beginning, I want to go on through the address.

The use of the word "perpetual" should have shown the farmers that what we wanted to eliminate was the mortgage, not the security of ownership or the title of ownership. But—the Liberal workers so played upon the fears of the farmers that they made it appear that we were going to take away their titles when our real objective was to take away the mortgages and give the farmer a secure title. By this means they were able to frighten the farmer into voting Liberal—and now that he has had time to realize what he has done he is certainly very, very frightened.

Faced with this situation, we said to ourselves: what is it we wish to do for these farmers? The answer was: give them security. We then began to canvas ways and means whereby the farmers could be given security under their present Torrens Title. Having decided that it is possible to give the farmer security under the present form of title, the old plank was dropped and

the new platform adopted which is designed to give security under the present title. Our policy has not been changed. We always were determined to give the farmer security. We are still determined to do so; but our method of doing so has been altered.

One of the things the C.C.F. will most certainly do when elected to power

Government Members: When!

Mr. Williams: Next election, if you want to know when. One of the things the C.C.F. will most certainly do when elected to power is to cause to be inserted a crop failure clause in every mortgage contract and agreement for sale. It is our belief that if a farmer is protected against a piling up of interest in bad years, he will take care of a reasonable amount of debt in good years and thus reach the place we desire him to arrive at—a freehold man without debts.

Of course we realize that one swallow does not make a summer, and that other action will be needed in addition to the crop failure clause to safeguard those who are debt-ridden in this province. But we also realize that the first swallow is the sign of spring, and, so far as the farmer is concerned, when the crop failure clause is inserted in his mortgage or agreement for sale, it will be to him the first sign of spring.

We believe that, if, in addition to inserting the crop failure clause in these land contracts, the principal amount were reduced to a figure which normal crops at normal prices could take care of over a reasonable period of years, and if the farmer were given full privilege of pre-payment of all or part of any outstanding amount at all times, it would be possible for the farmer to free himself from the octopus of debt which has been over him for many years.

Hon. Mr. Davis: Does my friend mean to do this by legislation—that all mortgages and agreements contain this clause?

Mr. Williams: I tried in a courteous way to ask the Attorney General not to ask questions, which I know he is brimful of, in the course of my address. Of course he knows that if people can be persuaded to go into technical details and one point can be proved to be wrong, the whole thing can be misconstrued.

Hon. Mr. Davis: I have no desire to misconstrue what you say. I merely asked if you were going to do this by legislation—yes or no—not for the detail.

Mr. Williams: The Attorney General has said in this House that I am as hard to catch as a flea.

Hon. Mr. Davis: Yes, and I still say it.

Mr. Williams: Well, there is no case on record of a louse catching a flea.

Government Members: Order! Order!

Hon. Mr. Davis: I have no objection to his remark—but,—no louse could live on the flea I see opposite.

Mr. Speaker: Order.

Mr. Williams: My friends say, how are you going to force the reduction of the principal amount to that reasonable figure? I would request the Attorney General to note the answer. First of all, we would try to do what you have failed to do. We would try to get these reductions by negotiation; but back of those negotiations we would have it known that we intend to use *The Limitation of Actions Act* should negotiations fail, and that, in the final analysis, if we have to choose between allowing the farmer and the worker to be offered up as a sacrifice on the altar of profits and taking drastic steps to save him, we are prepared to take whatever legal and constitutional steps are necessary to protect the interests of the people of this province.

Mr. McLeod: Communism?

Mr. Williams: If it is Communism to protect the interests of the people of this province, then it is Communism.

Most certainly we will not adopt the give-away attitude this Government has adopted. This Government knew it had a debt adjustment problem to face, yet it deliberately hamstrung itself by telling everybody that all debts would be taken care of by a few good crops. If the Government wanted to prevent debt adjustment, they could have taken no surer method of doing so.

With respect to the debts of homeowners living in urban centres, the problem is more difficult and complicated. It is obvious, however, that nothing is to be gained by the community by allowing people to be dispossessed of their homes by either the municipality for taxes or loaning institutions for arrears on payments, simply because the individual, through no fault of his own, is out of a job and cannot find employment. Surely these individuals are entitled to protection, too, when it is the economic system, not themselves, which is at fault.

The C.C.F. has watched the progressive steps towards Socialism in socially-minded countries such as Sweden and our own sister-Dominion, New Zealand. We are determined to follow examples set in those countries and which have proved so successful there, in this province of ours. Our policy in Government will be to give the people good, honest and efficient government, to abide by Socialistic ideals, take advantage of the experience of such countries as New Zealand and Sweden, and neither unduly retard nor unduly press the change in the economic system.

It is hardly possible that increased taxation will help this Government or any succeeding Government to lift the load of private indebtedness off the shoulders of our people. As I pointed out in my reply to the Speech from the Throne, the people, after all, have only a certain amount of money to spend, and if you are going to take away any further portion of that purchasing power by increased taxation it inevitably results in the slowing up of all business within the province. It would, therefore, seem only the part of wisdom for the Government to attempt to increase the income of the people in order, later on, to increase the revenues of the Government. The most obvious means whereby this Government can increase the income of the people is to control or take over some of the monopolistic industries now gouging the people, extracting tremendous profits from the people, and cause to be provided state marketing boards which would market the products of the farm in a manner to return the greatest amount to the people of the province. This the Government has flatly refused to do. Yet, may I prophesy, it will be done—if not by this Government then by a succeeding Government.

The one thing that stood out sharply in the Premier's remarks of yesterday was his insistence that he could find no way to increase the taxation of railways, no way to increase the taxation of banks, no way of cutting down the interest we are paying to the bondholders, but could quite easily find a way to increased taxation of the general public.

It was rather amusing to hear the Premier, yesterday, emphasize that his Budget was based on realities, that this year estimates of revenue were based on actual revenues—which is an admission that in former years they were based on Faith, Hope and Charity, mostly Hope.

Estimates of income and expenditure should always be based on reality. So far, the present Government has never considered itself bound by its budget. It has always glibly announced that it will come within so-and-so of balancing the budget, and then, after presenting their budget with tongue in check, knowing full well what they were doing, they proceeded to over-expend their ap-

propriations and build up deficits to be taken care of by supplementary estimates the next year.

The Premier's statement, yesterday, as to why the Government had not increased the income tax was very naive. He said we could not because we were already taxing as high or higher than adjoining provinces, and that we could not reduce the exemptions because the exemptions were as low or lower than adjoining provinces. He then went on to say, "our people haven't any income anyway"; and I must say he succeeded in proving, pretty well, too, by the figures he gave, that we had only a small number of large incomes. When doing this the Premier must have known that, by bringing a sales tax into being and not doing anything to tax the railways or the banks, and not making any attempt to increase the income tax, he was laying the burden on the middle classes and the poorer people of the province. The Jacoby Commission sums it up very well on page 160 of the report, as follows:

"The Commission is cognizant of the fact that a consumers' tax can be regressive—that is, levy a tax with respect to a larger part of a poor man's income than with respect to a person possessing higher income. The Commission conceded that both theoretically and practically an income tax is a preferable source of revenue, since net income measures more exactly the individual's ability to pay than does expenditure. Rich persons

and this is neat!

"Rich persons do not spend all of their income but save a considerable part, and a consumers' tax affects only that portion of their income which they spend. On the other hand, a person with lower income and many dependants may spend all of his income, and a consumers' tax affects the entire amount."

In other words, the Government was not interested in finding a tax that would be fair. It was interested only in finding a tax that would be productive of a good deal of money for the Government.

It is interesting to note, also, that while the Jacoby Report was emphatic in advocating that the Public Revenue Tax should be abolished or, as an alternative, used for educational purposes, the advice of the Commission was rejected, and we find ourselves loaded up with two taxes where only one grew before. The Jacoby Report had this to say:

"The Commission recommends the abolition of the Public Revenue Tax, principally for the following reasons:

(1) It represents an invasion by the Provincial Government of the only important sphere of taxation that the municipalities can effectively administer.

(2) The facts show that property owners as a class have been called upon to support burdens of government in general far in excess of any benefits to property as such. The Commission considers that this condition would remain true even without the levy of the Public Revenue tax by the Province, and that such levy enlarges the inequity."

The Commission sums it up as follows:

"Abolition of the Public Revenue tax will result in a substantial reduction in property tax levies, particularly in the rural municipalities. Table 39 sets forth the effect on tax levies and tax rates—based on assessment values and levies of 1935—to be secured through abolishing the Public Revenue tax. The percentage reduction in the tax rate and levy in rural municipalities is computed at 15.2 per cent., in villages at 8.3 per cent., in towns at 5.2 per cent., and in cities at 4.0 per cent. Such relief is sorely needed."

But the Government pays no attention to it. It is interested only in getting more money for its budget.

Again, in another recommendation, the Commission states:

"Abolition of the Public Revenue tax, recommended herein, will provide a measure of relief to property owners, and will likewise assist the municipalities in realizing in cash a larger proportion of tax levies for their own purposes. This, in turn, will place them in a better position to pay hospital bills and amounts owing school districts, telephone districts and other creditors. Extension of further Provincial aid to the weaker school districts, also recommended herein, will enable many schools to reduce their levies. This will also ameliorate to some extent the problem of collecting taxes for local purposes.

"The Commission reiterates its belief that the key to a proper solution of many municipal difficulties lies not in securing more revenue from the Provincial Government, but in withdrawal of the Province from the field of real property taxation, and a more equitable apportionment of the remaining levies among property owners within the municipalities."

And finally, when some member of the Commission advocated that the Public Revenue tax be retained as a sort of local educational tax, because he believed it would assist in financing the school districts, in addition to imposing the consumers' tax as an educational tax, the Commission had this to say:

"One proposal to which the Commission has given careful consideration is that the Public Revenue tax of 2 mills on the equalized ratable assessment of the province be retained, but designated as an Education Tax, the proceeds of which would be used exclusively for the purpose of increasing present grants to rural and urban schools.

"In recommending increased school grants and a Consumers' Tax for education and social services, against which all school grants will be a first charge, the Commission has recognized the need and provided a method of equalizing educational costs, which is susceptible of future expansion as economic conditions improve and which does not entail perpetuation of a provincial property tax.

"A majority of the Commission, therefore, recommends elimination of ad valorem taxation of property by the Provincial Government for any purpose whatsoever. Only in the event that such taxation is continued would the Commission recommend in the alternative that it be converted into an Education Tax."

And now the Government has announced that, contrary to the forecast contained in the Speech from the Throne that it would repeal the Public Revenue Tax, substituting a tax for educational purposes, it intends to retain this tax and use the revenues

in the usual way. And so finally, on the major point of taxation, as well as on many recommendations for re-organization which it has failed to implement, the Government has double-crossed its own Commission.

The financial position of the province is, to say the least, very disturbing. To many people the realization comes as a shock that we have to choose between increased taxation, curtailment of social services or defaulting on bonds and interest payments, and, as alternative to any of these three, the extension of Governmental activity in business activities to gain revenue, and the refunding of bonds at lower rates of interest. To some it comes as a shock; to others it had long been foreseen. It was long ago apparent to many that the Government of this province would find itself in this very position if it continued to spend at the rate it has been spending these last few years.

The report of the Jacoby Commission, whether we agree with its findings or not, has nevertheless been very valuable in bringing the financial position of the province to the attention of the people, in a clearcut manner understandable by all. The Commission was particularly critical of the present method of handling expenditures and estimates. On page 28 of the Jacoby Report we find the following very startling statement of the Government's method of financing:

"The estimates presented by the Provincial Treasurer in the Legislature each year are the most important single phase of the financial policy of the Province. They purport to represent the considered judgment of the financial officials of the Province as to prospective revenue and intended expenditure during the ensuing year. If requested expenditures exceed prospective revenue it is incumbent upon the Provincial Treasurer, who speaks for the Government of the day, to inform the Legislature how much revenue is required to keep income up to the level of expenditure. Estimates of both revenue and expenditure must be presented in good faith and with the utmost accuracy in order that the Legislature may be informed fully as to the financial condition of the Province and what policy should be pursued with reference to taxation. If the estimates greatly understate actual expenditures, the budget is thrown out of balance and borrowing must eventually be resorted to in order to cover the deficit."

Then this:

"Considering total expenditure charged both to revenue, to capital and to agricultural aids, it will be observed that actual expenditure exceeded estimates in every fiscal year excepting that ending in 1933, when, owing to large over-estimations in the expenditure of the Bureau of Child Protection and the Departments of Treasury, Highways and Transportation, and Education, actual expenditures fell under the estimates. In every other fiscal year, excepting 1933, there was a substantial underestimation of total expenditure presented to the Legislature by the Treasurer. In some years this underestimation was proportionately very large. Actual exceeded estimated expenditure charged to capital in every fiscal year during the last ten years. Actual expenditure also exceeded estimated expenditure charged to revenue in every year, excepting the fiscal years 1932, 1933 and 1934, during which sharp reductions in the ordinary expenses of govern-

ment were inaugurated. In the fiscal year 1932, the excess of actual overestimated expenditure was nearly \$11,000,000, or over 40 per cent. higher than estimated expenditure. In some part this was due to unknown relief requirements. Yet these requirements, as is the case with other requirements, could have been estimated at the maximum in order to provide by appropriation specific legislative authority to spend the money, and to draw to the attention of the Legislature the necessity of making provision for revenues to meet the prospective maximum expenditure."

And again:

"These facts point to the need for a revision in budgetary policy. Estimates should be set at the absolute *maximum* for each major governmental service. If the powers of the executive agencies to spend beyond appropriations are curtailed, as the Commission recommends, it is believed that estimates of expenditure will necessarily be brought closer to actuality in the future. Budgetary practices in many jurisdictions require the principal executive officer to present to the Legislature estimates of expenditure for the different governmental services. When these estimates are passed by the Legislature as Appropriation Acts, the executive cannot spend beyond these appropriations *for any reason*. This system compels the chief executive to estimate expenditure at the real maximum requirements, for it is realized that there is no possibility of extending disbursements beyond the amounts fixed in the budget. The Commission considers this feature a safeguard against undue expenditure. In arguing for this control, the Commission in no way criticizes any particular purpose for which money may now be or has been spent. Criticism is directed merely at the system which permits disbursements to be made without concurrently compelling a planned provision of revenues to meet these disbursements."

Then these recommendations:

"It is recommended that the Executive Council be empowered to issue Special Warrants *only* for purposes for which the Legislature has made *no* provision, because of oversight or unforeseen conditions, and that no Special Warrants be issued for any purposes referred to in a detailed departmental estimate as submitted and approved by the Executive Council."

It may be argued that the Jacoby Commission was over-critical; but such is not the case. An examination of the 1935-36 estimates and the Public Accounts for the same year, checking one against the other, will disclose the fact that there was over-expenditure in every Department over and above the amount estimated for:

In the year 1935-36, actual revenue exceeded estimated revenue by.....	\$ 500,331.00
But while the estimated expenditures in the Revenue Account were.....	16,391,885.00
The actual expenditure on Revenue Account was..	17,054,663.00
And while the estimated expenditure on Capital Account was only.....	227,451.00
The actual expenditure on Capital Account was..	1,619,389.00
A total over-expenditure of.....	2,044,746.00

It is significant that this money was spent, not on the authority of the appropriations made in the 1935-36 estimates, but by authority the Government arrogated to itself by special warrant and subsequently tabled in the House as supplementary estimates.

Hon. Mr. Uhrich: And passed by the House!

Mr. Williams: Yes. But with a majority of approximately fifty members in the House the Government can go on and spend enough to put this country to the bow-wows.

It is significant that this over-expenditure is not for relief. Relief is separate and distinct. This is entirely outside relief. As honourable members know, relief expenditures are not included in the estimates. Such expenditures are taken care of by supplementaries later on, and generally total about \$10,000,000 a year—that is for relief alone. Of this practice of failing to provide for expenditures by appropriations, and allowing the maximum for relief, and then going on and over-expending as they please and covering this by special warrants and supplementaries, the Jacoby Commission was particularly caustic. On page 25 of the Report, it has this to say:

“The Executive Council of Saskatchewan has powers to increase expenditures through the issuance of what are known as Special Warrants. The Treasury Department Act provides:

‘If, when the Legislature is not in session and expenditure not foreseen or provided for or insufficiently provided for is urgently and immediately required for the public good, then upon the report of the Treasurer that there is no legislative appropriation or no sufficient provision therefor, and of the head of the department having charge of the service that the necessity is urgent and the expenditure for the public good, the Lieutenant Governor in Council may order a Special Warrant to be prepared to be signed by the Lieutenant Governor authorizing the expenditure of the amount estimated to be required.’

“By this enactment the Legislative Assembly has granted general powers to the Executive Council to incur expenditures beyond those authorized by The Appropriation Act. Any department which has spent its appropriation may apply to the Executive Council for Warrants to cover further expenditure and the Executive Council has power to authorize such expenditure. If the Treasurer has originally budgeted for a balance between revenue and expenditure in presenting the estimates to the Legislature, the issuance of each additional Special Warrant clearly creates an additional deficit—assuming that actual revenues are no more than those estimated. It is apparent that the power to issue Special Warrants removes the cardinal restriction of democratic government that all spending must be subject to the specific approval of the Legislature.”

And then this—

I would not like to have a Commission appointed by my Government make a statement of this kind about a Government I was responsible for:

"All additional expenditures in excess of appropriations are supposed to be included in the Supplementary Estimates passed by the Legislature, but in fact all are not included, since departments often wait until the Legislature adjourns before applying for Special Warrants. Only such Special Warrants as are issued *prior* to the Legislative Session are in practice included in the Supplementary Estimates."

No wonder the Commission recommended, as it did, that:

"The Executive Council be empowered to issue Special Warrants *only* for purposes for which the Legislature has made *no* provision, because of oversight or unforeseen conditions, and that no Special Warrants be issued for any purpose referred to in a detailed departmental estimate as submitted and approved by the Executive Council."

No wonder the Commission recommended these things in view of the condition that prevails. As a matter of fact, this province seems to be suffering from the same malady as the black Mammy who, when her husband Rastus, inquired as to what the doctor's verdict was, replied, "I is suffering from acute indiscretion."

It is interesting to check over the accounts to determine where and how these over-expenditures have occurred. If we take our Public Accounts and estimates, and check them one against the other, we find the major items that make up this over-expenditure comprise the following:

An over-expenditure under *The Saskatchewan Elections Act* of \$16,756.00;

An over-expenditure in the Attorney General's Department of \$21,271.00, largely in Sheriffs' Offices and Mounted Police Pension Fund, not provided for in the estimates;

An over-expenditure in the Provincial Secretary's Department of \$2,073.00;

An over-expenditure in the Treasury Department, on Revenue Account, of \$70,837.00;

An over-expenditure in the same Department, on Capital Account, of \$524,590.00, being money borrowed for the use of the Farm Loan Board....

Mr. Stork: To pay commissions.

Mr. Williams: Yes, including the payment of commissions. An over-expenditure in the Department of Public Works of \$264,516.00....

Premier: The total expenditure of the Department of Public Works, on Capital, that year, was not \$264,000.

Mr. Williams: I am not talking of Capital, yet. Wait till I get through. An over-expenditure in the Department of Public Works, on Revenue Account of \$264,516.00, caused by the inability of the Minister to accurately estimate the actual cost of maintenance of public buildings—almost \$200,000 of this over-expenditure occurring in the two mental hospitals at Weyburn and Battleford, and the balance here and there in buildings all over the province.

An over-expenditure in the same Department on Capital Account, of \$190,155.00, being money spent on permanent replacements in various buildings;

An over-expenditure in the Department of Highways, Revenue Account, of \$3,440.00, on ordinary maintenance of highways and bridges;

An over-expenditure in the same Department of \$683,182.00, on Capital Account, being money spent on construction of bridges, highways, main market roads. This money, no doubt, was well spent; but it was spent without appearing in the appropriations or estimates. Now, Mr. Speaker, figures do not lie; but, when estimates are tabled and appropriations made and then these are over-expended and Special Warrants are used as a method of circumventing the ordinary budget, we lose confidence in the present system and in the estimates now before the House.

When Mr. Gardiner tabled the estimates of 1935-36, he said "We will be within three-quarters of a million dollars of balancing our budget, and will only be spending \$227,000 on Capital outlay." That was the statement given to the public, but actually, we were \$1,249,116.00 down on the total budget, taking revenue and capital together, in spite of the fact our revenue exceeded our expectations; and instead of spending only \$227,000 on capital outlay, we actually spent over \$1,479,000.00.

Added to the over-expenditures already mentioned, is an over-expenditure in the Department of Education of \$293,766.00, occasioned largely by an increase in the number of children attending school. My honourable friends will realize, of course, that the school grant is paid on the basis of a set amount for each pupil, for each school day, and therefore, the more attending school, the greater the cost to the Government.

Hon. Mr. Estey: Did the honourable gentleman say that the school grants are paid on the basis of the number of pupils?

Mr. Williams: Yes. Number of pupils per school day.

Hon. Mr. Estey: That is not correct. I suggest the honourable gentleman read *The School Act*.

Mr. McLeod: It's \$1.50 per room per day, and it does not matter whether there is one child or a dozen.

Mr. Williams: It is worthy of note that Agriculture did not over-expend. As a matter of fact, it under-spent its rather small estimate. It used to be the case that the Department spent a great deal of money on Agriculture—through the Field Crops Branch on the improvement of yields, and through the Live Stock Branch in the improvement of live stock in the province. We now make a comparatively small allowance to Agriculture and do not spend all of that—and again we find the farmer and the worker carrying the load. That was true in Biblical days, also; you will find it was a poor man who carried the Cross. In the Gospel according to St. Luke we read, "and they laid hold upon one Simon, a Cyrenian coming out of the country, and on him they laid the cross"—and it is still true today.

Then there was an over-expenditure in the Department of Municipal Affairs of \$13,050.00, largely occasioned by the cost of the Coal Mines Enquiry, and payments made to the Workmen's Compensation Board to take care of people injured in the L.I.D.'s while on road work.

An over-expenditure also occurred in the Department of Health, amounting to \$57,483.00 largely occasioned by the increased number of patients in hospitals receiving the grant per patient under *The Hospital Act*, by the fact there are more patients in our mental hospitals; and by increased expenditures under the Cancer Commission, Maternity Grants and Special Medical Services Branches.

Hon. Dr. Uhrich: I wonder if the honourable gentleman would take unto himself the cleverness or the power to estimate in advance the number of patients who would go into our hospitals in the next year, and if he thinks it a terrible mistake if the Minister does not?

Mr. Williams: My honourable friend is too jittery. I did not intend to say it was his fault. He should wait until I finish. I quite agree, these expenditures are unavoidable, and no means can be adopted to estimate accurately in advance how many patients will go into our hospitals and what these expenditures will be. But—as the Jacoby Report says, these things should be estimated for at the maximum requirement, and not at the minimum.

There was an over-expenditure in the Department of Natural Resources, in revenue account, of \$34,874.00. Half of this over-expenditure was occasioned by failure to provide for the Coal Administrator's Office being set up in the estimates for 1936, the

balance being over-expenditures in the Fire Protection branch, Surveys, Fisheries and in the maintenance of certain offices throughout the province. On the other hand, this Department under-spent its estimate for capital construction by some \$23,000.00, which would seem to indicate that the Minister had no clear-cut idea of what course he intended to follow in his Department when he tabled his estimates.

The Bureau of Child Protection in both the Child Welfare Branch and the Old Age Pensions Branch, exceeded its estimates to the total amount of \$87,560.00. The Minister is hardly blamable for these over-expenditures as there is no accurate or even approximate method of forecasting how much money will be spent on Old Age Pensions and Mothers' Allowances. The increase in this Department is significant, however, because it is indicative of the steady lowering of the income of the people below the subsistence level, demonstrating as it does the increasing number of people who are forced to appeal to the state for assistance in maintenance.

An analysis of the 1935-36 estimates and Public Accounts discloses the deplorable fact of over-expenditure in every Department, and in two cases over-expenditure on capital account exceeds a half million dollars, which most certainly should have been submitted to this House in the original estimates and not brought in by supplementaries later on. When we contemplate this fact, we are not surprised at the tone of the criticism in the Jacoby Report.

Indeed, public authority has been flouted. I well remember the Premier when, as Minister of Natural Resources, he was asked to assure the House that there would be no over-expenditure in his Department, and his reply was he'd do exactly as he liked. How can it be expected that we will have conservation of public funds when Ministers do whatever they like.

Premier: Mr. Speaker, I never made any such statement as the honourable gentleman has just attributed to me, and I must ask him to withdraw that.

Mr. Agar: The Premier never made it.

Mr. Williams: Mr. Speaker, I understand

Premier: I ask the honourable gentleman to withdraw the statement, Mr. Speaker.

Mr. Williams: I understand the rules of the House: when asked to withdraw I have to do so. That is right, Mr. Speaker?

Mr. Speaker: You have to withdraw.

Mr. Williams: Then I do so. On the other hand, I very clearly recollect saying to the Minister at the time, that in that case we might just as well not be in this House.

Premier: I recollect the incident very well, and the suggestion the honourable member made could not be drawn from it. It was in connection with forest fires.

Mr. Williams: The Premier is entitled to his impression—and so am I.

We are now asked to endorse a Budget in which the Government seeks to raise an additional two million dollars by way of increased taxation from the hard-pressed people of this province, without any adequate guarantee of reasonable control of expenditure. Take the situation in the Farm Loan Board as an illustration: We have lands foreclosed on, with large amounts against them, sold for \$1.00 down to a purchaser and commissions paid to agents on the sale. We have purchasers buying large tracks of good farm land for \$1.00 down, being allowed to take off the crop already sown at the time of the purchase and no payments made, and then being loaned as high as \$1,000 to enable them to farm the land they got for \$1.00 down—loans given in spite of the fact no further payments have been made on the land. We have farms foreclosed on and then afterwards the valuation slashed and the land resold for \$1.00 down while the original farmer loses his equity. I think, Mr. Speaker, we are quite justified in saying this kind of thing is only a racket.

An answer to a question asked in this House disclosed the fact that a man, an inspector, was paid a salary by the Farm Loan Board while he was absent from the country. I refer to the case of Syd. Smith.

Premier: There is no evidence to that effect at all.

Mr. Williams: There is evidence to that effect. Evidence has been produced. This man was Liberal candidate in the constituency of Gull Lake, and the member for that constituency has knowledge of the fact this man was absent from the country at the time he was still receiving a salary from the Farm Loan Board.

Premier: The honourable member makes the statement "evidence has been produced." No such evidence has been produced in this House.

Mr. Williams: I did not say "produced in this House." I do not think the Premier is justified in getting up every time a criticism is made....

Premier: I am quite justified in getting up to correct a misstatement.

Mr. Williams: The statement I made was that this man was getting his salary at a time when he was absent from the country. People are entitled to expect some reasonable control of expenditures. People are entitled to feel that when money is voted it will not be wasted in a farm loans racket or any other racket.

Premier: I rise to a point of order, Mr. Speaker: I would ask you to decide on the propriety of that word, "racket". It is a word of recent origin, used in connection with a certain type of activities in the country to the south of us, and probably of too recent origin to be included in the list of unparliamentary terms in Beauchesne. But I doubt if it is parliamentary, Mr. Speaker, and would ask your ruling.

Mr. Speaker: The point is well taken if the word is being used to signify that improper methods are being used, or that thievery is going on, and I would ask the honourable member not to use the word any more in that sense.

Mr. Williams: I will not use the word any more, and I was not using it in that sense; but this lack of efficiency tends to turn this thing into a racket....

Premier: You have given your ruling, Mr. Speaker.

Mr. Williams: The member has not the right to get up and object to criticism of the method of carrying on this Department.

Premier: I have the right to object to the use of unparliamentary terms.

Mr. Speaker: I will rule against the use of the word "racket" in any respect.

Mr. Williams: All right, Mr. Speaker, it may not be used in the House, but the people in the country will use it in this connection. The people have a right to expect a reasonable amount of efficiency and economy in connection with the field service staff. On this matter of the field service staff and the lack of efficiency and economy in connection with it, the Jacoby Commission had this to say:

"A bureau of Field Inspection should be established to take over the functions of the major field inspecting staffs now maintained in the different departments and bureaux and operating separately and independently. Aside from field inspection concerning the collection of revenue, there are at present inspectors for Old Age Pensions, Mothers' Allowances, foster homes, municipalities, debt adjustment services, the Liquor Board, agricultural advisory services and others"

And I have here a partial list of some of the other field men and inspectors the Jacoby Commission spoke of: Cream grading inspectors, dairy reporters, operating under the Dairy Herd Improvement Branch, public school inspectors, Minimum Wage Board inspectors, Farm Loan Board inspectors, crop specialist operating under the Field Crops Branch, Highway supervisors, inspectors of bridges and highway inspectors (not to mention a host of highway maintenance men), liquor store inspectors and beer store inspectors—those under the head “Liquor Board inspectors”—and inspectors of beer parlors, inspectors of legal offices, inspectors of theatres and cinematographs, forestry inspectors, inspectors operating under the Northern Settlers’ Re-establishment Board, relief inspectors, public health inspectors, inspectors of public buildings, steam boilers inspectors, field officers under *The Coal Mines Industries Act*, inspectors under *The Coal Industries Act*, inspectors under the Workmen’s Compensation Board, inspectors operating under the bureau for administering the estates of the mentally incompetent, school lands inspectors, forest rangers, survey staff, field officers for land inspection in the Department of Natural Resources, inspectors under *The Horse Breeders’ Act*, inspectors under *The Vehicles Act*, highway patrol officers, mining inspectors under Department of Natural Resources, fish and game inspectors—to say nothing of the extra indemnity we pay to the honourable member for Athabaska for inspecting the papooses and timber wolves up in the northern areas.

The Jacoby Commission had this to say:

“To some extent special knowledge is required for each type of inspection, but it is believed there is not sufficient specialization of function to justify the costly and separate operation of inspection services. The proposed Bureau of Field Inspection should act as a clearing house for all or a large part of field inspection work required by the different departments—aside from the revenue-collecting agency.”

And then, this:

“This Bureau should route inspectors so as to secure a maximum of work with a minimum of travel, and avoid the present duplication in travel which creates a justifiable public impression that the work of the Provincial Government is not well organized. Field representatives of many large commercial corporations are expected to perform a variety of functions in order to conserve travelling expenses. Provincial field inspectors should reasonably be required to do likewise.”

That’s what the Jacoby Commission had to say about governmental services along this line.

We are told now we are to pay another two million in taxes. We are told by the Bank of Canada that we can pay it. It reminds me of the stoker of a hard-pressed boiler, standing back, looking it over, and saying she can stand two more notches. Perhaps the boiler will stand an extra two notches. Perhaps it won’t. But if

the bunkers are low on coal, will crowding on steam get us across the ocean or merely leave us derelict at the mercy of every storm that blows?

All the extra taxes in the world will not save our provincial treasury if the people of this province are so taxed and exploited as to become a propertyless people. It seems like Pat, painting like blazes to cover the building before the paint runs out. Crowding on the pressure won't put any more paint in the can. After all, the people of this province have only so much income, and if that income is not increased, every time we dig into the people's pockets for further taxes and then sink the money in the Treasury and then later on use it to pay interest on bonds, we simply put one more crimp in business turnover and finally we will stagnate all business. It may be that an approaching war may send prices of primary products sky-rocketing, but even then this Government has a responsibility to the people of this province, to economize, to build securely and sanely, not merely to try to gouge out of them everything it can, and end up worse off than ever. It is all very well, Mr. Speaker, to refuse to accept any suggestions from this side of the House, that the Government should take over various monopolies and set up proprietary boards by saying that the Government is not going into business. I wonder if the Government is going to allow all the people of the province to be put out of business simply because it will not take its responsibility with respect to business as a whole.

If tremendous profits are being made in a line of business in which there exists a virtual monopoly, it is only right and just that that business should be controlled, or taken over, by the province, in order to lower the price of goods to the consumer, and, at the same time, increase the revenues of the province.

As usual, Mr. Speaker, this Government hides its lack of imagination and initiative under a cloak of smugness and says, "We do not want to go into business."

Mr. Demers: May I ask what business you are referring to?

Mr. Williams: If my friend will restrain himself, I shall come to that, later on.

Altogether too much is made of the cry, "If you want services, you must pay for them." That is the cry of this Government. That is its excuse for extending taxation. When you realize that we have a Public Debt of \$192,610,000.00 and an annual interest payment to make of \$6,656,851.00, it becomes quite obvious that the money paid by our people in taxes is not going to pay for social services. It is going to the bondholders as interest on the Public Debt, in large degree at least.

So far as relief is concerned, neither this Government, nor the former Government nor any succeeding Government can tax the people heavily enough to extract another ten millions from them to take care of relief. That is utterly impossible. Relief must be taken care of by the Federal Government as a calamity beyond the control of this province.

I am not in favour of widening and deepening the taxation of this province in an effort to force the people to raise money for taxes when they require that money in order to maintain a decent standard of living. I believe this burden of relief, caused as it is by a calamity this province has no control over, must be borne by the National Government on the basis of being an act of Providence made worse by men. I say made worse by men, because I believe, had we done some conscious and intelligent planning, years ago, in the form of conservation of work, we might have lessened, at least, the severity of this scourge.

I believe that, if, instead of wasting money in an abortive attempt to prove by ill-advised investigations that the people of this province can pay two million more in taxes which they cannot pay, and load on them more taxes when in reality they are carrying too heavy a tax burden now, the National Government were to take over the relief burden in toto, and we were to make up our minds to live within our present income, we would be much better off in the long run.

Our experience of last year proved that, outside of relief expenditures, had this Government stayed within its estimates, we would have come within \$267,169.00 of balancing our budget insofar as revenue and expenditure are concerned.

Hon. Mr. Davis: Could we have paid increased school grants?

Mr. Williams: You did not pay them in that year. Had we accomplished a reasonable measure of refunding of the public debt and practised a reasonable amount of economy in the government services, it would have been quite possible for us to have taken care of all necessary capital and revenue outlay without going any farther into debt.

It, therefore, seems to me the thing to be done is not to tax the people more heavily, but rather to tell the Federal Government in no uncertain manner that they must take over the burden of relief, they must take over the responsibility for this national calamity in the West, and must, in doing so, remove entirely from the public debt that part occasioned by relief expenditures. Having done that, we should then turn to the bondholders of this province and suggest that they become Canadians rather than mere money-grabbers.

I must say I believe that, if an attempt were made to popularize refunding as a patriotic duty instead of trying to make it unpopular, as this Government does by calling it repudiation and confiscation, we would have altogether different results.

I do not intend at this time to go into the reliability of the figures in the 1937 estimates. We will discuss them during consideration of the estimates themselves. I prefer to try to confine this debate to the clear-cut question of whether we should increase taxation at this time or not.

My opinion is that it is neither wise nor necessary to increase taxation at this time; but it is necessary to have the Federal Government take over responsibility for all relief expenditures and for that portion of our public debt occasioned by relief borrowings. It is also necessary to refund, at lower rates of interest, our tremendous outstanding public debt. And it is also necessary to reorganize the Government services, where there is glaring overlapping, so that, instead of having cars running all over the province, and have people in a hotel at night tell you in the morning that six out of seven cars standing outside the hotel overnight were cars of Government inspectors, these services will be operated in an efficient manner.

If times should improve and people have more money, then, in my opinion, will be the time to build up reserves and create sinking funds—but not now, when the people are so nearly destitute.

With respect to the budget itself, we find a unique state of affairs. Week after week people waited to find out what the Government was going to do about its Budget. No one seemed to know what was going on, but it was common knowledge that the Premier could not bring down his Budget until he found out what assistance Ottawa was going to give. It is no secret that this Budget was dictated by Ottawa. It is well recognized that this is not a "Billy" Budget, but rather a "Charlie and Jimmy" Budget. It was conceived in the Treasury Department and born in the Bank of Canada; not in a manger attended by shepherds, but rather on a mahogany desk attended by financiers from St. James Street.

Hon. Mr. Dunn: That is sacrilege, Mr. Speaker.

Mr. Williams: No highway man should talk of sacrilege.

The other evening, I happened to attend a function at which the amending of the *British North America Act* was discussed. Seated on my left was one of the Trust and Loan men, and in casual conversation he happened to mention that Skelton of the Bank of

Canada has said that he felt like a million dollars when he was in the West

Hon. Mr. Dunn: Mr. Speaker, I would ask you to rule as to whether or not the statement the honourable leader of the Opposition made was a sacrilegious statement.

Mr. Speaker: State what the honourable member said.

Hon. Mr. Dunn: About this Budget being conceived on a mahogany desk in St. James Street.

Mr. Williams: That is not what I said.

Mr. Macauley: He didn't say that.

Hon. Mr. Dunn: Repeat it, then.

Mr. Williams: I can't. The Speaker will not allow me to.

Hon. Mr. Dunn: His statement in referring to the Budget was that it was not born in a manger attended by shepherds but on a mahogany desk attended by financiers. "Born in a manger"—we all know to what that refers.

Mr. Williams: If I called him a "rat"—I wonder if I can use the term?

Mr. Speaker: That is beyond all bounds of propriety. In connection with the point of order raised by the Minister of Highways, I think the honourable Leader of the Opposition can explain what he means without using that kind of term or reference.

Mr. Williams: I understand that what the Minister of Highways is trying to do is to make a little political capital out of it.

Premier: Not at all, Mr. Speaker. There are such things as propriety and feelings of respect in matters of this kind. Irrespective of what his feelings and attitude may be with respect to the Bible, there are, on this side of the House, those who feel that references and quotations of this kind should be used in a manner acceptable to those members who have respect and reverence for those particular things.

Hon. Mr. Dunn: I take exception to his statement, "Not conceived in a manger attended by shepherds." We all know what the reference is to. In my mind it is one of the worst, one of the most sacrilegious and contemptible statements I have ever listened to, in or out of the House. While he said a highway man had no right

to make any reference to sacrilege, still the fact remains—most of us have something within us of respect for these things, whether we live up to it or not, which makes us resent such statements as sacrilegious. I would ask your ruling, Mr. Speaker.

Mr. Speaker: I made my ruling. I ask the member to withdraw the statement, and not use such reference any more, to be on the safe side.

Mr. Williams: I am quite willing to admit that I should not use any Biblical statement in referring to anything this Government has done. I realize that. I just wonder where the “holier than thou” attitude is today. It is quite obvious the gentlemen opposite are trying to put themselves into a position where they are “holier than thou.”

Hon. Mr. Davis: On the point of order, Mr. Speaker. You gave your ruling and he has not withdrawn.

Mr. Speaker: I have ruled that he should not use such references or quotations which may be construed as sacrilegious, if there is any question at all. I asked him to withdraw.

Mr. Agar: He didn't do it.

Mr. Speaker: If the honourable Leader of the Opposition has not done so, I ask him to do it now and not refer to it again.

Mr. Williams: If I have offended the sensibilities of the Minister of Highways, I am quite willing to withdraw the statement.

As I was saying, in conversation this gentleman said that Skelton of the Bank of Canada felt like a million dollars when he was here and like two million when he got back East . . . It seems to me the mahogany desk, where this budget was born (and there is no sacrilege in that) had more to do with the characteristics of the child than we imagine.

The additional subsidy we are supposed to get, appears to be conditioned on not asking the bondholders to accept a lower rate of interest. It appears to have been given in consideration of a promise made *sub rosa* (I have not heard it was given definitely) that no attempt would be made to refund the provincial debt.

Hon. Mr. Davis: That is not true, either. You make statements as truths that are not true . . .

Mr. Williams: If you deny it . . .

Hon. Mr. Davis: I'll deny every lie you make.

Mr. Williams: You say that sitting in your seat. You cannot say it standing up.

My personal opinion is that the whole attitude of the Government is wrong. Not long ago, I happened to be talking to a gentleman who is much interested in provincial financing, about the developments in England. He remarked on the willingness of the people of England to make sacrifices for the financial stability of their country and pointed out that, when the National Government over there appealed to the people to save the financial structure of England, people voted to cut down their allowances and willingly agreed to take less as unemployment insurance. And he added, that was the type of people we have in England. I said, "Ah, but, in England, when the bondholder was asked to reconvert at a low rate of interest he did so willingly, as a patriotic duty, while here in this country, only the working and middle classes are asked to sacrifice, and from them we expect sacrifice after sacrifice, while our financial class is regarded as sacrosanct."

Some people say it is necessary to restore the confidence of the creditor class of this country in the debtors. I take just the opposite view. I believe it is necessary to restore the confidence of the masses in the creditor class of this Dominion by showing to the people of Canada that the investing classes of this country are prepared to take their share of the burden which has not been done so far as the bondholders are concerned. There are too many war profiteers, too many tax free bonds, too much money-grabbing and too little philanthropy on the part of the "Big Shots" for the good of this country. It seems we have not yet developed a Canadian people. There are far too many who still regard Canada as a good place to get rich in, who have no deeper interest in it than to invest in it and get as much as they can out of it, and who never recognize the human misery created in the process.

After all (and I shall give you some practical religion), what is the duty of governments and those who are entrusted with power, whether it be power of legislation or power of wealth?

Last week, it was my privilege to attend a showing of the play, "Mr. Deeds Goes to Town." At one point in the play, Mr. Deeds is placed on trial on a charge of insanity because he undertook to give away his wealth to help the needy. In his defence he said to the presiding judge: "If you were on an ocean liner and you came upon two people, one rowing a boat, the other struggling in the water, which would you pick up first—the one in the boat because he was tired rowing, or the one in the water because he was drowning?" Mr. Deeds said, "I simply seek to help those who are drowning"—in other words, to help those who need help most.

This Government does exactly the opposite. It helps the bondholders who are tired of rowing, and, placing its hand gently on the head of the drowning taxpayer, pushes him slowly beneath the surface of the water.

Mr. Speaker, my sense of justice and fair play will not allow me to vote for this Budget which lays all the burden on those least able to bear it.

I am going to propose, in amendment, a motion which, if carried, will amend the resolution to read: That Mr. Speaker do now leave the Chair, in that, in the opinion of this House, the necessary funds for educational purposes and other services can be adequately provided by the obtaining of the additional subsidy, by the setting up of additional proprietary bodies, such as the Liquor Board, to operate in other fields, by savings accomplished through the refunding of the Public Debt at lower rates of interest, by reasonable economy in governmental services and by insisting that the burden of relief expenditures, past, present and future, be borne by the Federal Government; and, further, that with this end in view the present Budget be withdrawn and another substituted which does not include any additional taxation, believing as we do that now, when our people are suffering from the cumulative effect of years of depression, is most certainly not the proper time to add to the burden of taxation.

It may be argued by the Government that withdrawal of the present Budget and substitution of another would mean that it would have to drop the additional grant to schools and forego the money to be loaned for the payment of teachers' salary notes. Such is not the case. All the Government needs to do is to find out the amount of the increased subsidy to be given by the Ottawa Government, figure out how much can be saved by re-organization of field staffs, determine how much can be saved by a refunding arrangement, and then budget accordingly without disturbing the expenditures that are going to be made for educational services.

Hon. Mr. Davis: Are you going to mention the proprietary interests you are going to take over?

Mr. Williams: I'm coming to that.

Mr. Speaker: I would like a copy of your amendment.

Mr. Williams: I have not moved it yet, Mr. Speaker. I shall give you a copy—but I have not moved it, nor named my seconder.

Were we in the position of the Government, we would most certainly insist on being relieved of all relief costs by the Federal

Government, and budget accordingly. To some extent the Government has done so in the present Budget, in that no provision is made in it for relief expenditures although some, of necessity, will occur.

I do not think that the refunding operations should be undertaken suddenly and without preparation.

Hon. Mr. Davis: Then that settles that.

Mr. Williams: No, it does not.

I believe a campaign of publicity should be undertaken to persuade the bondholders that it is their humane and patriotic duty to refund at lower rates of interest, and when the right atmosphere has been created, to press hard for refunding the bonds. I believe the Government, in this case as in the case of debt adjustment, is hamstringing itself with its own propaganda, raising the cry that this is confiscation and repudiation, telling everybody that the people could pay all their debts if only it rained, and then wondering why the creditors won't give reasonable adjustment or the bondholders reasonable rates of interest.

It may be argued by the Government that the operation of further proprietary bodies is not feasible. In the face of the development in New Zealand and Sweden, I do not believe such premise is well taken. If the Government thinks it good business and considers itself justified in allowing Government motor cars to be used by the Minister of Health and the Liquor Commissioner, in one case to travel to Vancouver and in the other to British Columbia via a Wa Wa Convention in the United States to find out how to run their Departments, then I think it good business for the Government to spend enough money to send someone across the line to investigate the feasibility of having gasoline, fuel oils and lubricating oils delivered to a Saskatchewan Government Board at wholesale prices in order to save money for the people by lowering the price of these commodities to the consumer and at the same time increase the revenues of the Government instead of taxing people who are already living on the borderline of insecurity.

Hon. Mr. Davis: Would you now tell us some of the proprietary interests you are going to take over?

Mr. Williams: I have just mentioned one of them.

Hon. Mr. Davis: That is the gasoline business?

Mr. Williams: Just that. My friend's one idea of progressive change is to jump from here to there. He does not seem to realize the wisdom of investigation and of progress based on investigation.

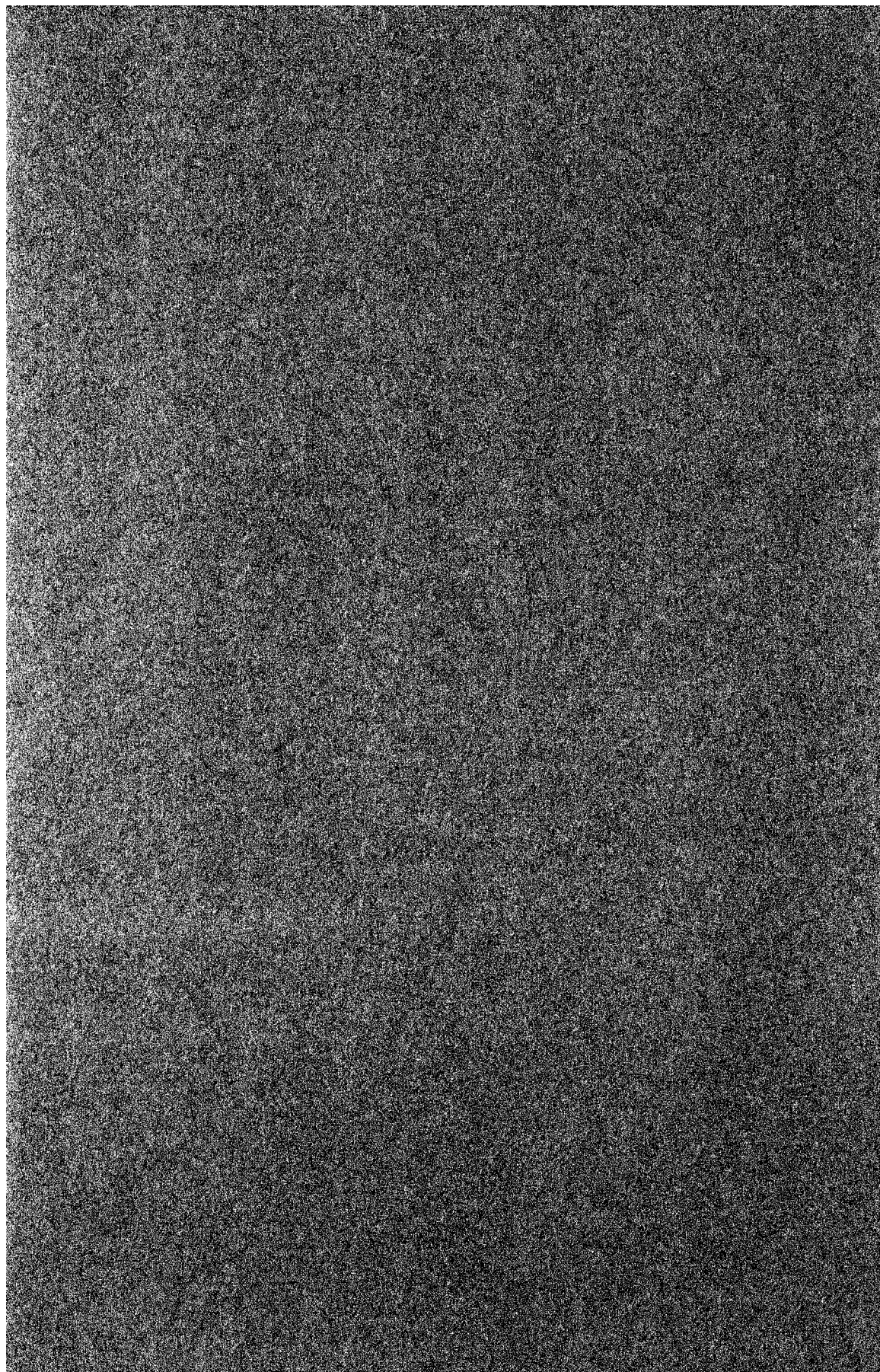
Hon. Mr. Davis: A number of interpretations can be placed on what you say. I just wanted to be clear.

Mr. Williams: Had you been listening carefully to what I said, you will find it quite clear.

I, therefore, move, seconded by the honourable member for Gull Lake (*Mr. Kemper*): That all the words after "That" be struck out and the following substituted therefor:

"The estimates submitted be withdrawn and others substituted which do not include additional taxation, because, in the opinion of this Assembly, the necessary funds for educational purposes and other services could be adequately provided by obtaining the additional subsidy; by the setting up of additional proprietary bodies, such as the Liquor Board, to operate in other fields; by savings accomplished through the refunding of the Public Debt at lower rates of interest; by reasonable economy in Governmental services, and by continually urging that the burden of relief expenditures, past, present and future, be borne by the Federal Government.

"Further, in the opinion of this Assembly, our people are now suffering from the cumulative effect of years of depression, and therefore this is most certainly not the proper time to add to the burden of taxation."



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